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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 002483

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TAGS: [PGOV](#) [TW](#)
SUBJECT: RULING DPP SEEKS TO RESTORE IMAGE

Classified By: AIT Director Stephen M. Young, Reason 1.4 (b/d)

11. (C) Summary: The DPP this weekend passed a series of resolutions at its national party congress that aim to curb corruption and burnish its reformist image. In an unexpected and controversial move, the congress abolished the party's formal factions, which up to now have been a primary mechanism for coordination between competing interest groups and individual politicians. Delegates also elected a new Central Committee and Central Standing Committee, whose composition observers assess expands Premier Su's influence within the party. The congress passed resolutions to hold leaders and family members suspected of corruption subject to investigation and discipline, to curb the phenomenon of "proxy members," and to modify nomination procedures for candidates. President Chen did not attend, but addressed party members on the eve of the congress last Friday in a speech that reaffirmed his intent to serve out his term in office. End Summary.

President Chen Affirms Intent to Stay

12. (SBU) President Chen Shui-bian in a statement July 21 on the eve of the Democratic Progressive Party (DPP) National Congress reaffirmed his intention to remain in office, refusing to bow to renewed calls by pro-ruling party academics over the previous week for him to step down. Chen said he would not attend the congress to stay true to his earlier decision to delegate power to the Cabinet and party leadership. Chen gave a nod to discussions that aim to strengthen the party's role in reviewing policy, but also implied that despite his devolution of power he will remain involved in national identity and social issues. He said the DPP's standing committee should be the "appropriate platform" for discussions between the party and the Cabinet to take place. Despite Chen's statement, the party congress failed to take up the issue of a mechanism for party involvement in important government decisions. DPP Chairman Yu Shyi-kun suggested that he did want to create the misimpression that the party was trying to take power away from Premier Su and the government. Other commentary equated any such move as a return to unacceptable old KMT practices.

Resolutions to Ban Factions, Weed Out Corruption

13. (C) In a surprise move, the DPP resolved to disband its formal factions in an effort to bolster party unity. AIT's

contacts say the resolution reflected widespread dissatisfaction with the New Tide faction, which was viewed as operating as a "party within the party." A last-minute effort by the DPP caucus whip Ker Chien-ming to pass an alternative resolution for restraining, rather than outright banning, the factions failed. The motion to ban factions then passed with 153 out of a total of 279 delegates voting in favor, producing a gleeful reaction when the result was announced. Factions, which up to now have played a crucial role in reconciling and coordinating different interest groups, must disband their offices and can no longer recruit members, hold meetings, and collect membership fees. Leaders of the New Tide, who said they would respect the decision, nonetheless characterized the resolution as "misguided" and "regrettable" because the party leadership mistook the factions for the "real cause" of the party's problems.

¶4. (SBU) In the wake of a series of corruption scandals involving President Chen's son-in-law and close presidential aides, the DPP passed an anti-corruption provision aimed at holding government leaders and their family members and close relatives accountable to the party. The provision stipulates that a special party committee must investigate the president, vice president, legislators, and government officials who are party members if they are suspected of corruption. The provision also gives the party the right to question members' relatives if they are implicated in corruption scandals. Some commentators have questioned the actual effectiveness of this resolution, particularly when it comes to investigating family members and relatives, who may not even be members of the DPP.

¶5. (SBU) Party delegates passed a resolution forbidding members from paying membership fees on behalf of other

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members. The resolution aims to do away with the phenomenon of "proxy members" by which some members register and pay party dues on behalf of others and essentially build up local networks beholden to them and influence party primaries. The resolution stipulates that the party will expel members who "buy" membership for others and that those caught "selling" their membership will not be able to join the party for two years. The party also eased previous restrictions on candidates that would have prevented Taipei mayoral candidate Frank Hsieh from running for president in 2008.

Premier Su Gains Some Ground

¶6. (C) The congress elected a new Central Standing Committee (SC) that continues to be balanced among the now ex-factions, but supporters of Premier Su have gained some ground and increased their standing. Local commentators say that five or six of the ten elected Standing Committee members represent factions that support Su and that the new balance of power within the Standing Committee will help Su in his quest for the 2008 presidential nomination vis-a-vis Frank Hsieh or other potential contenders.

Comment

¶7. (C) The resolution on party factions aside, the DPP congress itself and President Chen's pre-congress statement produced no major surprises. The DPP continues to be plagued by a poor public image and internecine squabbling and it remains to be seen if its latest efforts to reverse course will be effective. The anti-corruption moves may provide a short-term public relations boost, but the dissolution of formal factions will complicate intra-party coordination and remove an important mechanism that has served to control competition and behavior within the party.
YOUNG